VZCZCXRO1444 OO RUEHBI RUEHCI RUEHDBU RUEHFL RUEHKW RUEHLA RUEHLH RUEHNP RUEHPW RUEHROV RUEHSR DE RUEHTA #0264/01 0440941 ZNY CCCCC ZZH O 130941Z FEB 09 FM AMEMBASSY ASTANA TO RUEHC/SECSTATE WASHDC IMMEDIATE 4607 INFO RUCNCLS/SOUTH AND CENTRAL ASIA COLLECTIVE RUCNCIS/CIS COLLECTIVE 1182 RUEHZL/EUROPEAN POLITICAL COLLECTIVE RUEHBJ/AMEMBASSY BEIJING 0579 RUEHUL/AMEMBASSY SEOUL 0291 RUEHKO/AMEMBASSY TOKYO 1285 RUEAIIA/CIA WASHDC RHMFISS/CDR USCENTCOM MACDILL AFB FL RHEFAAA/DIA WASHDC RUEKJCS/JOINT STAFF WASHDC RHEHNSC/NSC WASHDC 0756

C O N F I D E N T I A L SECTION 01 OF 02 ASTANA 000264

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STATE FOR SCA/CEN, IO, ISN, INR

E.O. 12958: DECL: 02/13/2034

RUEKJCS/SECDEF WASHDC 0672

TAGS: PGOV PREL PINR ECON KNNP OSCE IAEA KZ

SUBJECT: KAZAKHSTAN: MFA OFFICIAL SAYS FM TAZHIN WILL BE

REPLACED IN THE COMING MONTHS

REF: A. ASTANA-ALMATY O-I EMAIL FEBRUARY 11 (NOTAL)

■B. ASTANA-ALMATY O-I EMAIL FEBRUARY 10 (NOTAL)

1C. ASTANA 0090

Classified By: Ambassador Richard E. Hoagland, 1.4 (b) and (d)

11. (C) SUMMARY: Former MFA Americas Department Director Talgat Kaliyev told Pol-Econ Chief on February 12 that Foreign Minister Tazhin will be replaced in the coming months. Kaliyev explained that he has been appointed to be Tazhin's advisor on OSCE issues. He said that Kazakhstan intends to pursue a seat on the IAEA Board of Governors. He reported that the government has drastically cut funding for government travel and furniture and vehicle purchases. END SUMMARY.

TAZHIN OUT WITHIN SEVERAL MONTHS

12. (C) Former MFA Americas Department Director Talgat Kaliyev told Pol-Econ Chief on February 12 that Foreign Minister Tazhin will leave his current position in the coming months -- i.e., before Kazakhstan assumes the chairmanship of the OSCE. He reminded Pol-Econ Chief that Tazhin has worked on domestic issues for much of his career and said that Tazhin's next government assignment would likely have a domestic focus. (NOTE: Tazhin has served two stints (1995-99 and 2002-06) as deputy head of the Presidential Administration, as well as two stints as secretary of the Security Council (1999-2001, 2006-07). He also headed the National Security Committee (KNB) for six months in 2001. END NOTE.) Kaliyev did not offer any hints about who will be named to succeed Tazhin.

KALIYEV'S NEW ASSIGNMENT

13. (C) Kaliyev provided more details about his own new assignment and, as he put it, the "intrigues" that led to it (see refs A and B). According to Kaliyev, on February 10, Tazhin called him in to explain that he was out as MFA Americas Department head and would be sent to Vienna as minister-counselor to work primarily on OSCE issues, since Tazhin needed an experienced hand there with Kazakhstan's OSCE chairmanship looming on the horizon. Kaliyey was not happy with the proposed new assignment, because he had already served as minister-counselor and DCM in Washington, and his son had just been admitted to a very prestigious

"intellectual school" in Astana opened in January by President Nazarbayev (see ref C). (COMMENT: Alluding to the Rakhat Aliyev case, Pol-Econ Chief suggested to Kaliyev that the Vienna job might also involve some "very delicate issues." Kaliyev responded that he had made it a point to stay away from such issues, and hence this was yet one more reason not to go to Vienna. END COMMENT.)

14. (C) However, the following day, February 11, Tazhin backtracked, and agreed to keep Kaliyev at the MFA in Astana, appointing him to be his advisor on OSCE issues. Kaliyev immediately moved upstairs to an office near Tazhin's on the MFA's top floor. Kaliyev explained to PolOff that he hoped to continue to have close contact with the U.S. government in his new role, explaining that the Embassy is welcome in particular to bring to his direct attention any issues touching on the OSCE, including Kazakhstani human rights cases. His successor as MFA Americas Department head is Askar Tazhiyev, who up until now was an MFA ambassador-at-large covering OSCE issues, and who served with Kaliyev at the Kazakhstani Embassy in Washington, ultimately succeeding Kaliyev as minister-counselor and DCM when Kaliyev returned to Astana in 2007.

KAZAKHSTAN WILL PURSUE IAEA BOG SEAT

15. (C) Kaliyev informed Pol-Econ Chief that Kazakhstan intends to pursue a seat on the IAEA Board of Governors (BOG) at the next available opportunity. (NOTE: In 2008, we initially lobbied the Kazakhstanis to run against Syria for the open Middle East-South Asia (MESA) group seat on the IAEA BOG. We later asked them to step back in favor of

ASTANA 00000264 002 OF 002

Afghanistan, after it became clear that many MESA group members did not recognize Kazakhstan as a member of their group. END NOTE.) He also said that Kazakhstan wants to become more involved in the IAEA's nuclear fuel bank initiative.

GOVERNMENT BELT-TIGHTENING

- 16. (C) Pol-Econ Chief asked Kaliyev about the impact of budget cuts necessitated by the shortfall in government revenues. Kaliyev reported that while the government remains committed to maintaining spending on social programs, it has drastically reduced expenditures on the government bureaucracy, including funding for government travel and for furniture and vehicle purchases. According to Kaliyev, for now, Prime Minister Masimov has to personally sign off on all government travel.
- 17. (C) COMMENT: Kaliyev played a critical role in our bilateral relationship as MFA Americas Department head. carried a lot of water for us in trying to get the Cooperative Threat Reduction (CTR) agreement ratified, and recently worked to negotiate a "deal" on the criminal case against Peace Corps Volunteer Anthony Sharp, whose trial is on-going. It is not exactly clear to us whether Kaliyev has been promoted or demoted, and why, if he is staying in Astana, he was simply not allowed to retain his old job -which probably would have been his preference. This might mean that someone wanted him off the U.S. account, perhaps because of the perception he was getting too close to us. And, as far as we can tell, an MFA department head's follow-on overseas assignment should be as an ambassador, not as a minister-counselor. Canadian Ambassador Margaret Skok recently passed along a rumor to the Ambassador that Kaliyev had, in fact, been considered by the MFA as a candidate to become Kazakhstan's new ambassador to Ottawa, but was rejected because of "a serious cocaine habit." Frankl ourselves haven't seen any evidence of this. However, Frankly, we Kaliyev did quietly approach us several weeks ago to ask that we try to steer contracts for U.S. military supplies to Afghanistan to his brother Almaz's company in Almaty, explaining that this would help both of them. He had never

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